

SENATE, No. 2063

STATE OF NEW JERSEY

INTRODUCED MAY 15, 1997

By Senators INVERSO and LITTELL

1 AN ACT concerning certain trust powers of certain not-for-profit
2 corporations and amending P.L.1948, c.67.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 213 of P.L.1948, c.67 (C.17:9A-213) is amended to
8 read as follows:

9 213. Limitations on exercise of powers.

10 Except as otherwise provided by law, only a banking institution
11 shall exercise within this State any of the powers enumerated in
12 paragraph (4) of section 24 of P.L.1948, c.67 (C.17:9A-24),
13 paragraphs (4), (5) and (13) of section 25 of P.L.1948, c.67
14 (C.17:9A-25), and paragraphs (1) and (5) of section 26 of P.L.1948,
15 c.67 (C.17:9A-26), and except as otherwise provided in this section,
16 no corporation other than a qualified bank shall exercise within this
17 State any of the powers specified in paragraphs (3), (4), (5), (6), (7),
18 (8) and (9) of section 28 of P.L.1948, c.67 (C.17:9A-28), provided
19 that no corporation organized prior to March 24, 1899, authorized to
20 exercise all or any of the powers specified in paragraph (13) of section
21 25 of P.L.1948, c.67 (C.17:9A-25) or in paragraph (3) of section 28
22 of P.L.1948, c.67 (C.17:9A-28), shall be prohibited from exercising
23 such powers, and further provided that if, prior to the effective date
24 of this amendatory act, a not-for-profit corporation was exercising any
25 of the powers specified in paragraph (6) or (9) of section 28 of
26 P.L.1948, c.67 (C.17:9A-28) as trustee over trusts and funds in which
27 that corporation had an interest, that corporation shall not be
28 prohibited, on and after the effective date of this act, from exercising
29 the powers specified in paragraph (6) or (9) of section 28 of P.L.1948,
30 c.67 (C.17:9A-28) over trusts and funds in which that corporation has
31 an interest, and further provided that no qualified corporation, as
32 hereinafter defined, shall be prohibited from exercising all or any of the
33 powers specified in paragraph (3) of section 28 of P.L.1948, c.67
34 (C.17:9A-28), or in paragraph (13) of section 25 of P.L.1948, c.67

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 (C.17:9A-25). A qualified corporation shall mean a domestic
2 corporation or a foreign corporation authorized to transact business
3 in this State and registered with the Department of Banking and
4 Insurance which (a) has such capital, surplus and undivided profits as
5 may be fixed by the Commissioner of Banking and Insurance
6 commensurate with the nature and volume of its business; (b) has
7 adequate vault or other safe keeping facilities for the safeguarding of
8 stocks and other securities received, processed or otherwise held for
9 the account of customers; and (c) is adequately insured, as may be
10 provided by regulation, to protect its customers and the holders or
11 transferees of securities issued by its customers.

12 A qualified corporation shall be subject to any regulations which
13 may be adopted by the Commissioner of Banking and Insurance and
14 subject to examination by the Department of Banking and Insurance
15 , the cost of which shall be paid by the qualified corporation, to ensure
16 compliance with any such regulations. The Commissioner of Banking
17 and Insurance may require such qualified corporations to file such
18 reports as from time to time he deems necessary to enable him to
19 determine compliance with any regulations which may be issued by
20 him and to pay fees set by regulation for filing such reports and for
21 registering with the Department of Banking and Insurance .

22 (cf: P.L.1989, c.262, s.1)

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24 2. This act shall take effect immediately.

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STATEMENT

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29 This bill provides that if a not-for-profit corporation was exercising
30 certain trust powers as trustee over trusts and funds in which it had an
31 interest prior to the effective date of the bill, it shall not be prohibited,
32 on and after that effective date, from exercising those same trust
33 powers over trusts and funds in which it has an interest.

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38 Concerns certain trust powers of certain not-for-profit corporations.